2025 Business Briefing

HONDA
The Power of Dreams

How we move you.
CREATE ▶ TRANSCEND, AUGMENT

本田技研工業株式会社
取締役　代表執行役社長

三部 敏宏

Toshihiro Mibe

Director, President and Representative Executive Officer
Honda Motor Co., Ltd.





Offering the joy and freedom of mobility to people worldwide in a sustainable manner



2050

Carbon neutrality for all Honda products and corporate activities

Zero traffic collision fatalities involving Honda motorcycles and automobiles

Honda stance toward achieving carbon neutrality

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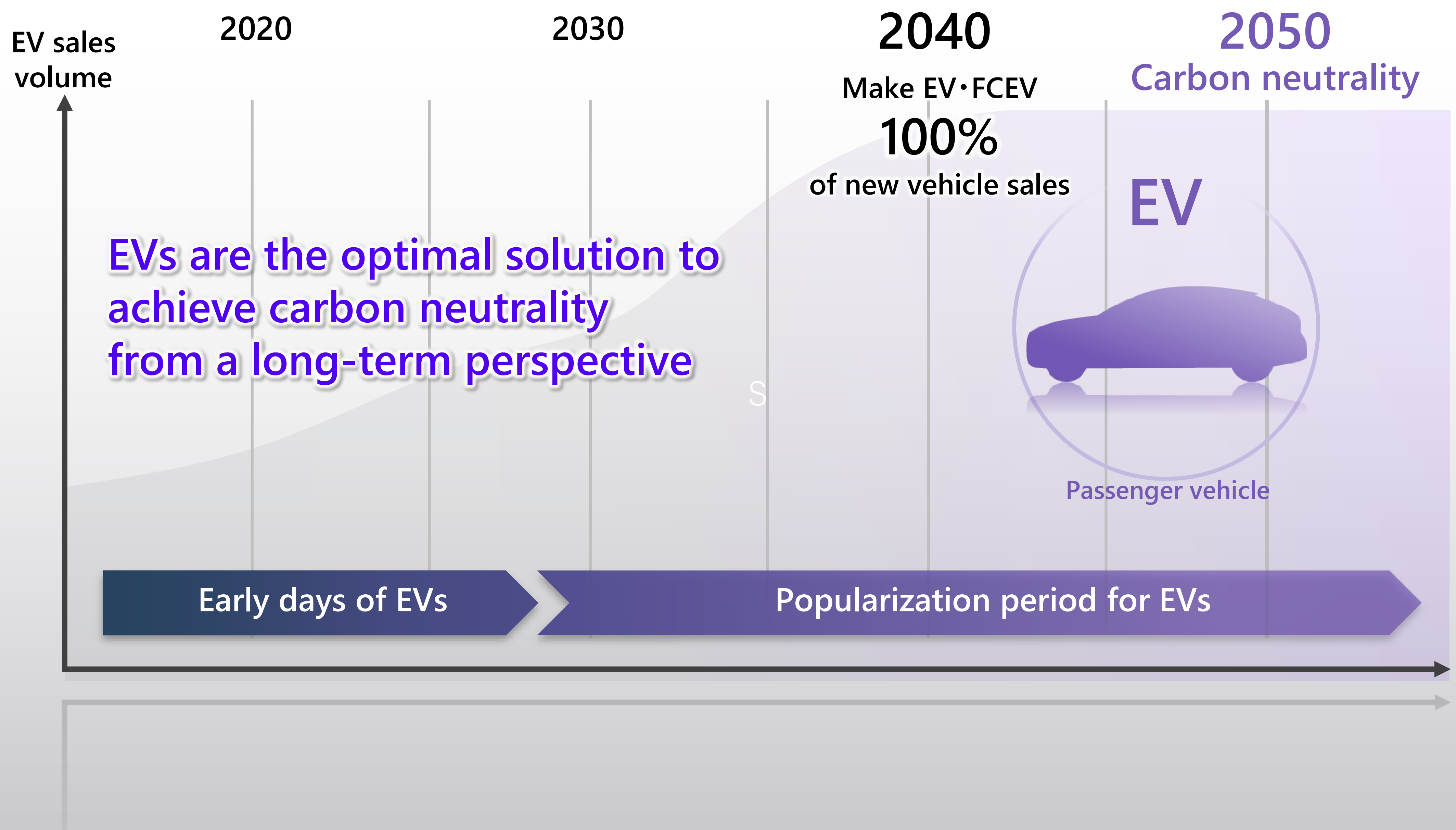


Plans to build a comprehensive EV value chain in Canada with a central focus on batteries

1st half of the 2020s

Procurement from partners

Resources | Materials | Cell production | Module cell control | Battery pack production | Vehicle compatibility systems | Operation and maintenance of charging services | Energy services | Recycling

Honda's development scope to date

From 2025

JV with battery manufacturer

LG Energy Solution HONDA

Resources | Materials | Cell production | Module cell control | Battery pack production | Vehicle compatibility systems | Charging services | Energy services | Recycling

2nd half of the 2020s

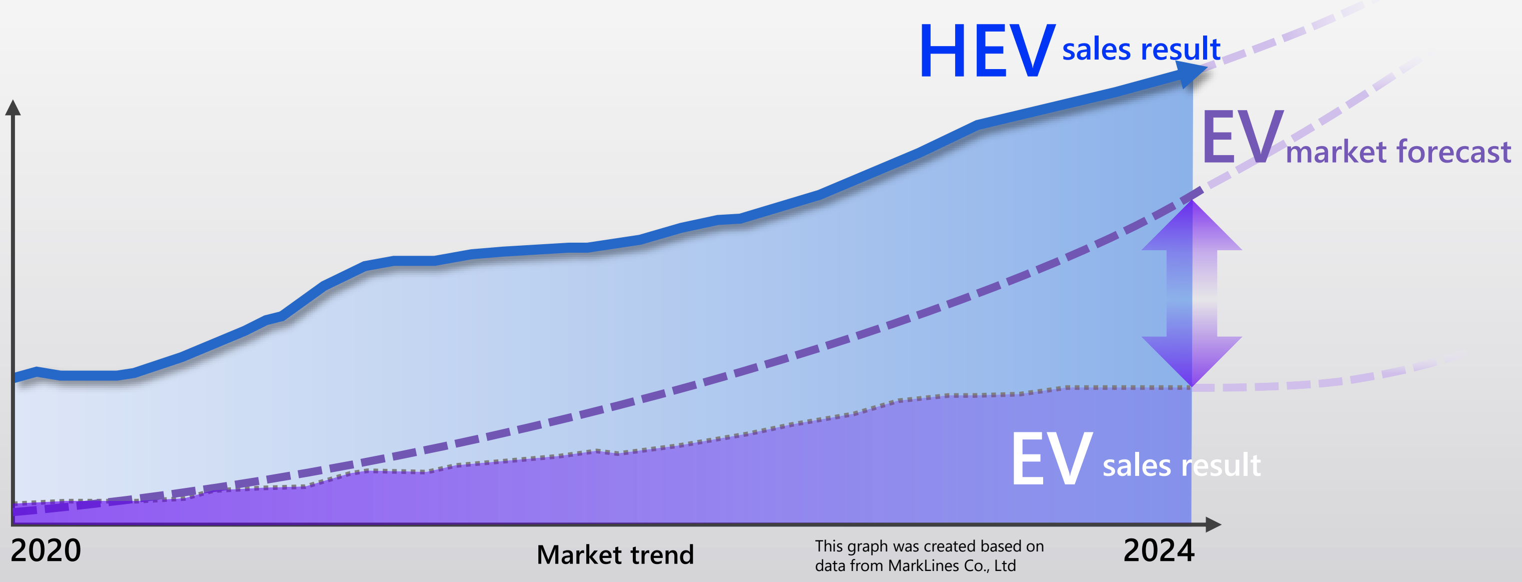
Vertically-integrated EV value chain

Resources | Materials | Cell production

POSCO FUTURE M AsahiKASEI GS YUASA HONDA

Secure sufficient production volume and competitive advantages by combining external procurement and in-house production
(Procurement of enough batteries for 2M EV production in 2030/Reduce procurement cost by 20%)

Changes in automobile business environment



Demand for hybrid vehicles will continue to grow toward 2030,
as they contribute to the reduction of CO_2 emissions without the issue of needing charging infrastructure

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Key two key directions for the realignment of Honda automobile electrification strategy

To enhance the competitiveness of our EVs and HEVs with intelligent technologies

Reassessment of our powertrain portfolio

Next generation ADAS

Assists the driver with acceleration and steering operations throughout the entire route to the destination, whether on expressways or surface roads

To be applied to main models
in North America, Japan and China in around 2027

Automobile electrification strategy

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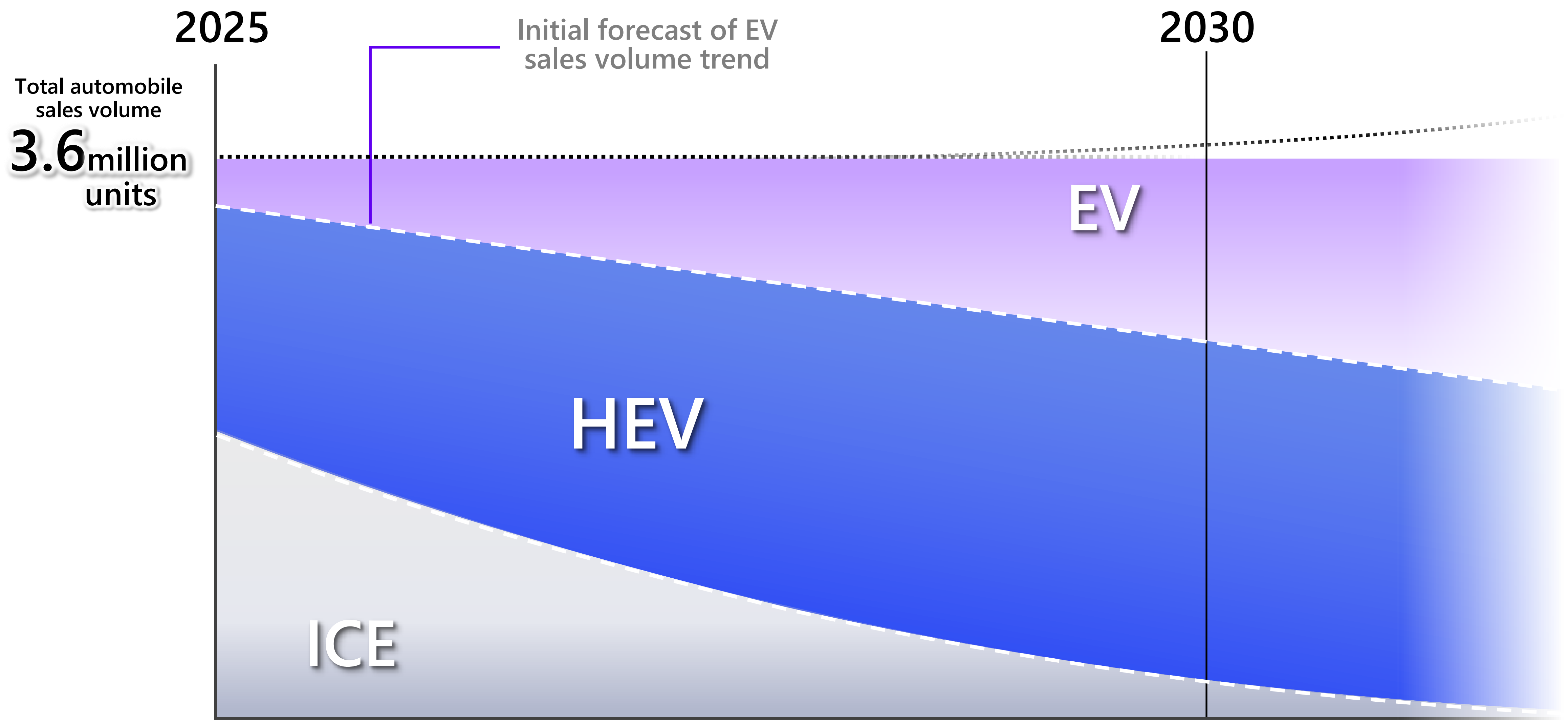
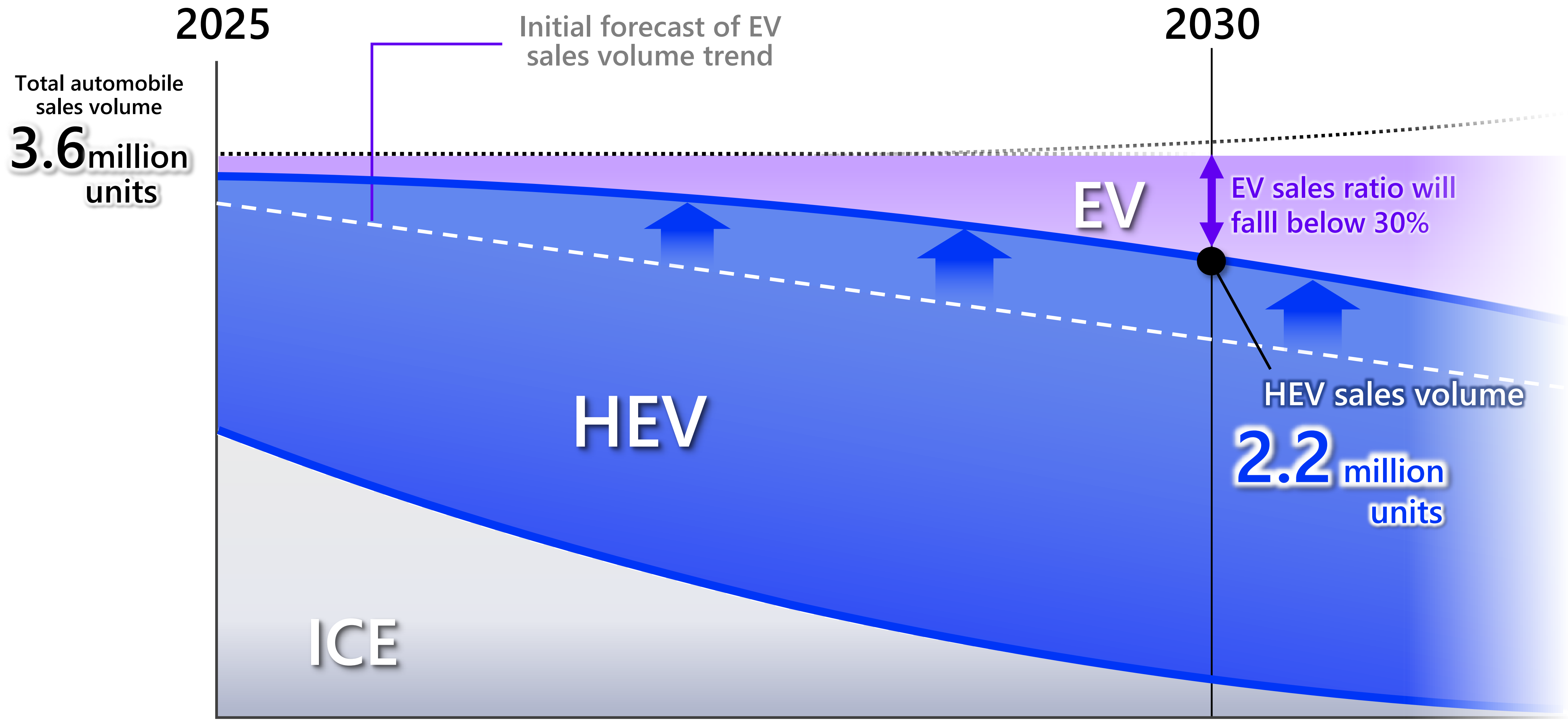


In light of changes in market environment, Honda realigns its automobile electrification strategy and strengthens its business foundation through reassessment of EV/HEV powertrain portfolio with a focus on application of intelligent technologies.

Automobile electrification strategy



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To enhance the competitiveness of
our EVs and HEVs with intelligent technologies

The development of next-generation ADAS

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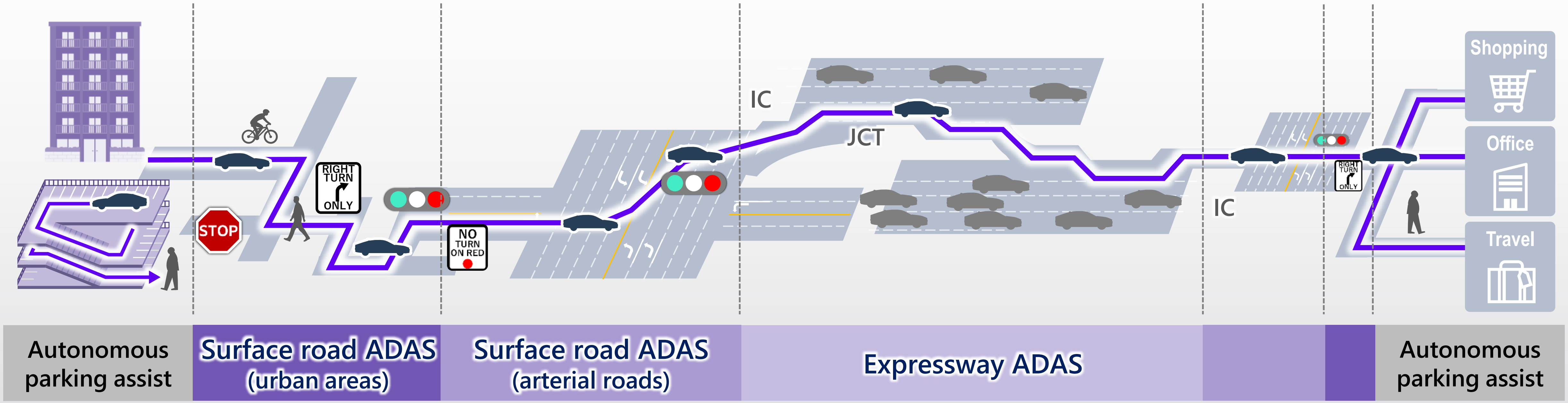
Next-generation ADAS

Assists the driver with acceleration and steering operations throughout the entire route to the destination, whether on expressways or surface roads



Honda will apply next-generation ADAS technologies to a broader range of models faster than other OEMs by leveraging its recognition and behavior planning technologies amassed through the development of automated driving technology

Advancement in the application of intelligent technologies

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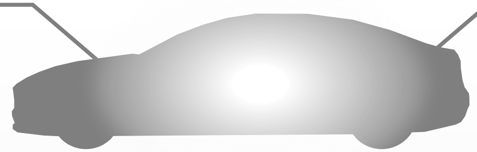
Requirements for the operation of next-generation ADAS

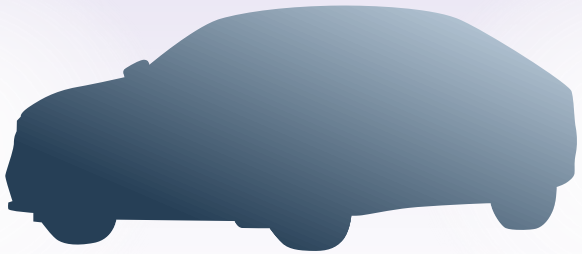
Secure a certain level of power supply

Highly sophisticated SoC cooling technology



Other OEMs install it to high-end EV and PHEV models

Next-generation e:HEV



Energy management by the highly-efficient HEV system

Maintain high environmental performance

Drive force control mainly by motor

Good compatibility with control demands

Has a significant advantage from the perspective of installing next-generation ADAS

Advancement in the application of intelligent technologies

Honda M/M Concept

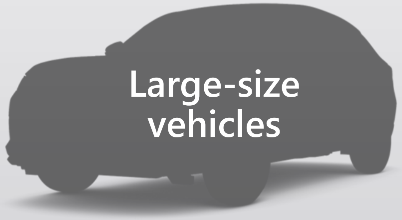
Man-Maximum

Machine-Minimum

Addressing the difficulty of installing next-generation ADAS in small-size vehicles by minimizing the impact of ADAS-related devices on cabin space and vehicle design

From around 2027 -

Realize next-generation ADAS with low cost and high competitiveness and begin offering it for the lineup of key models in North America and Japan



Advancement in the application of intelligent technologies

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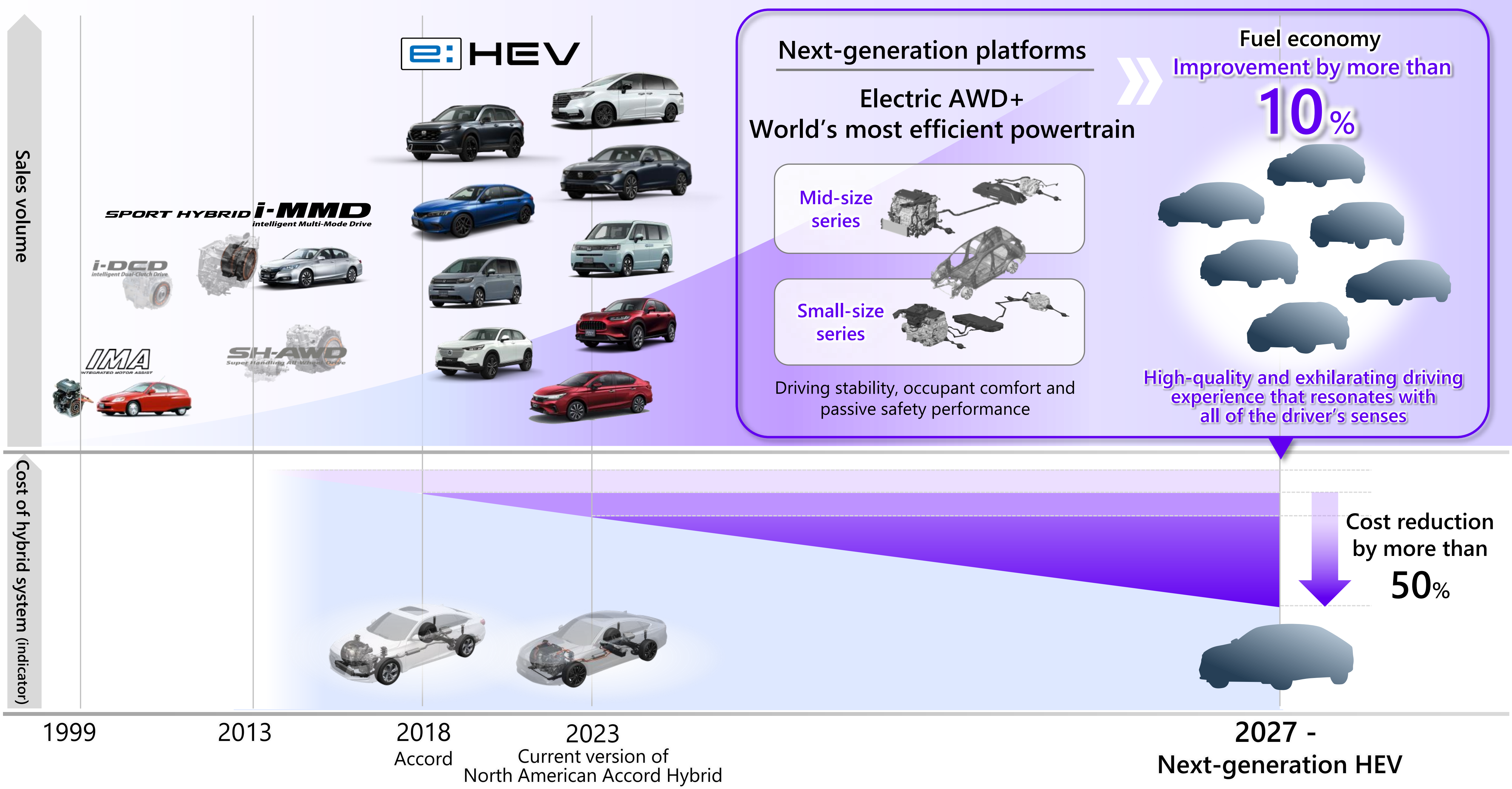
With Momenta, Honda will co-develop next-generation ADAS optimized for road conditions in China and install it to all future models Honda will launch in China

Reassessment of our powertrain portfolio

Strengthening of HEV strategy

Advancing e:HEV and platforms in all aspects



Development of large-size HEVs

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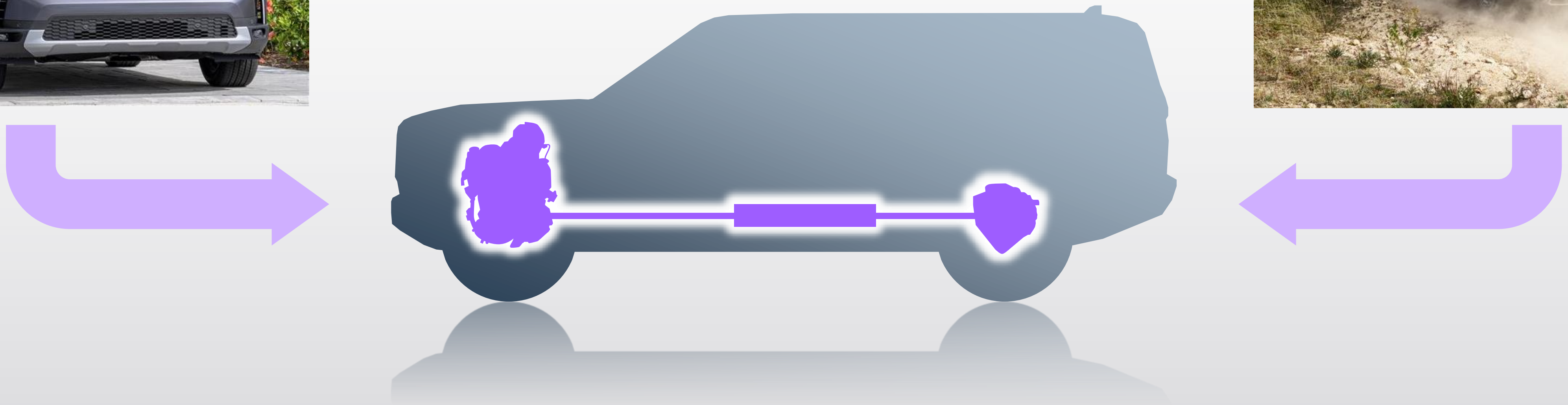
Powerful driving and high towing capability

High environmental performance

Scheduled to be launched in the 2nd half of the 2020s



Develop a HEV system for large-size models

to offer a broad HEV lineup ranging from entry-level models to large-size models

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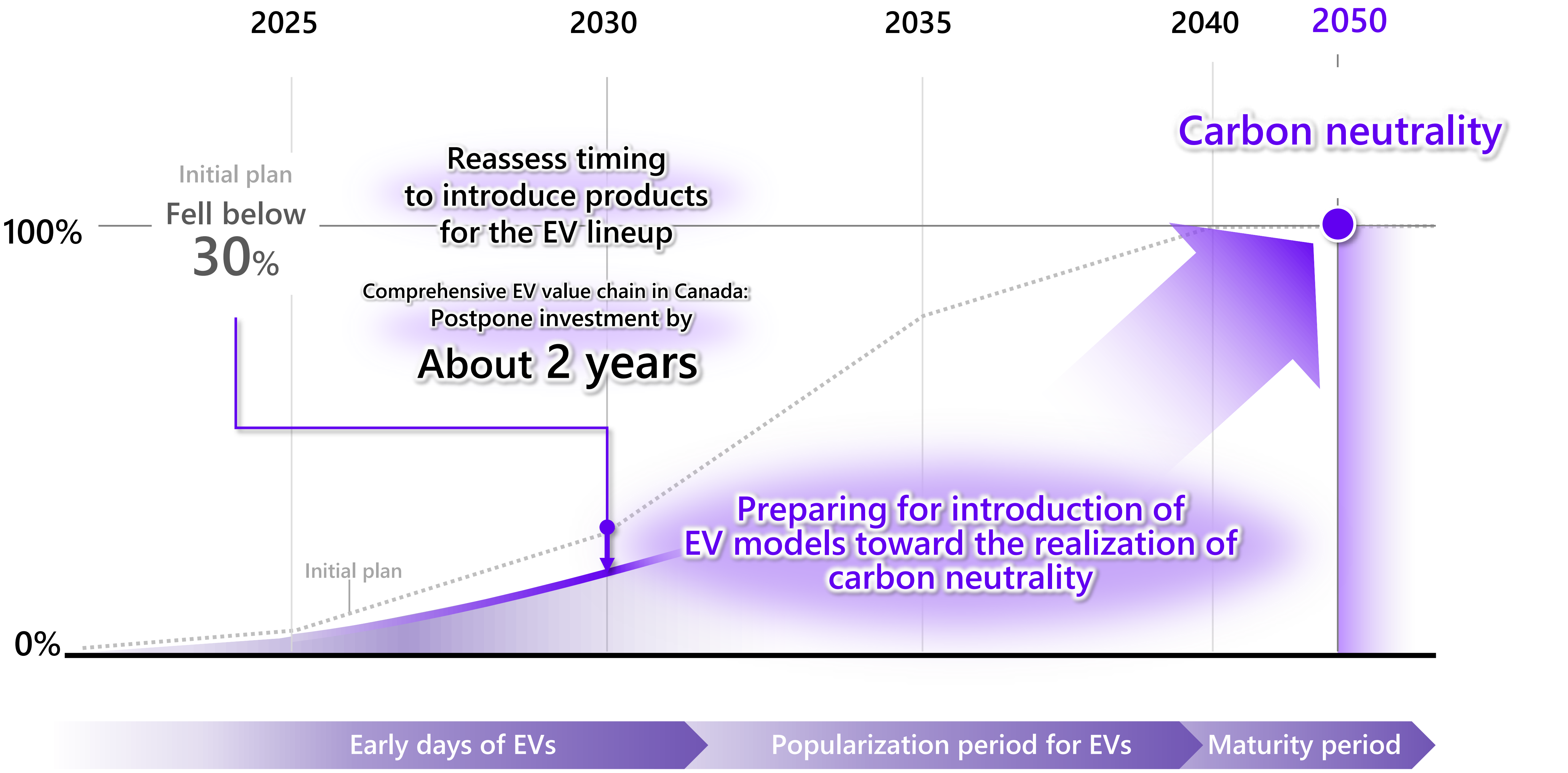
Over a four-year span starting in 2027

Launch 13 next-generation HEV models globally
that feature the next-generation HEV system and the value of Next-generation ADAS

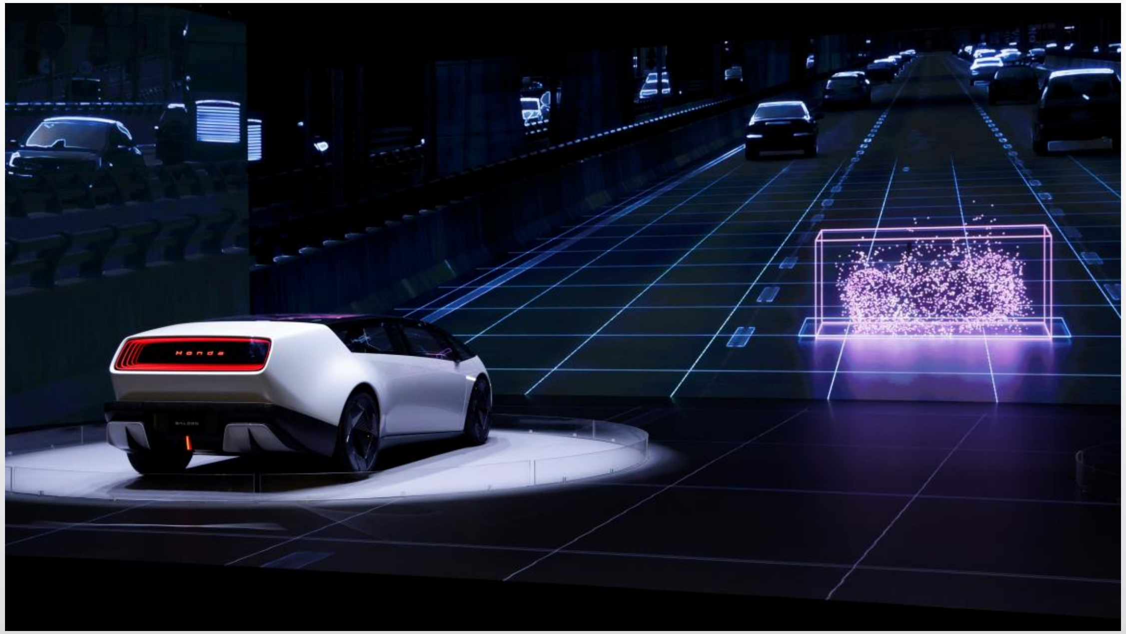
Reassessment of our powertrain portfolio

EV strategy

Realignment of EV strategy



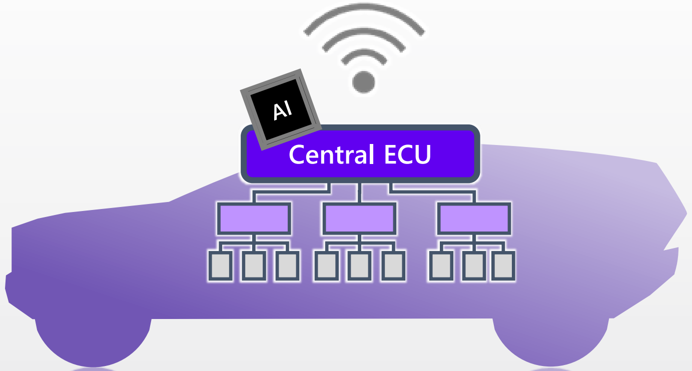
From 2026
Introduction of first-generation Honda 0 Series models



Offer the value of SDVs tailored to each and every user through "ultra-personal optimization"

For the further advancement of SDVs

Centralized
E&E Architecture



Centralize the functions to the ECU

Customized SoC

2,000 TOPS   20 TOPS/W

High-level AD/ADAS functions available in broader range of driving situations

Develop a high-performance SoC which will efficiently achieve among the top class AI performance in the industry

Reassessment of our powertrain portfolio

EV/HEV

Next-generation HEV models will also adopt the new H mark

as a symbol of the transformation of Honda automobile business

EV

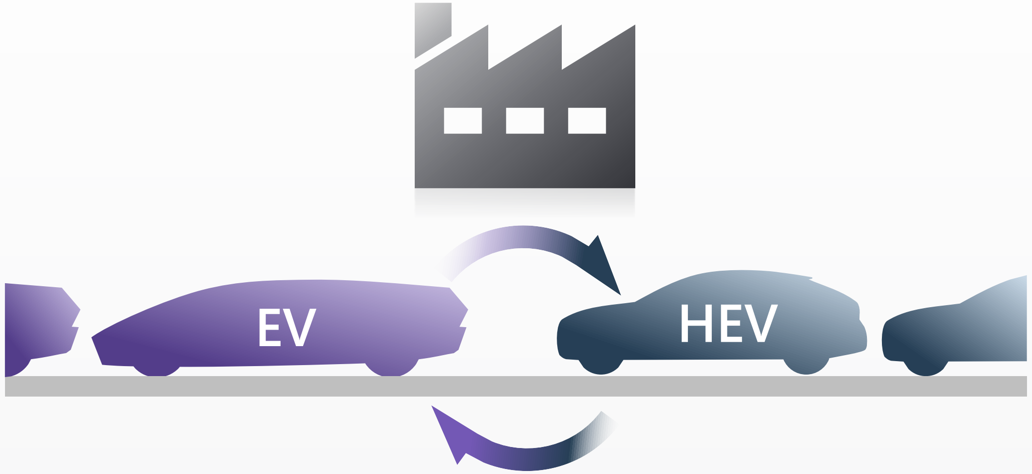
HEV

2026 — 2030

Dedicated EV production plants:
Establish highly efficient production structure

EV/HEV mixed-model production line:
Optimize supply capacity and allocation, including the effective use of existing assets

Marysville Auto Plant



EV/HEV mixed-model production line

Resilient supply chain strategy that is not affected by demand fluctuations and/or government policy changes in each country

Production and procurement systems

Establishment of supply chains based on the principle of “local production for local consumption”

CY2024

Percentage of U.S.-made vehicles among Honda vehicles sold in the U.S.

60%

Percentage of Canada-made vehicles sold in the U.S.

25%

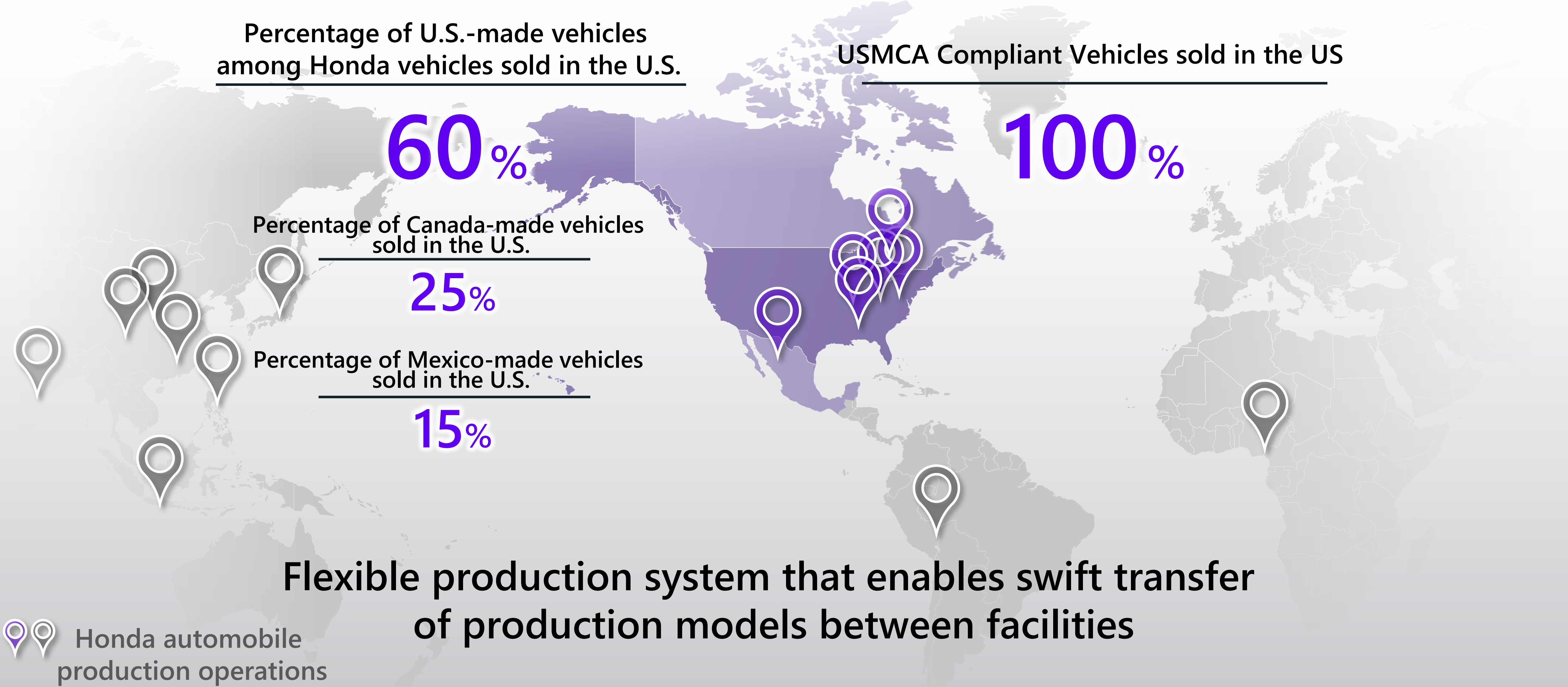
Percentage of Mexico-made vehicles sold in the U.S.

15%

CY2024

USMCA Compliant Vehicles sold in the US

100%



Flexible production system that enables swift transfer of production models between facilities

Motorcycle Business






Motorcycle business

Global market share
(FYE March 31, 2025)

Approx. **40** %

Motorcycle unit sales
(FYE March 31, 2025)

20.57 million units

Honda set all-time record for fiscal year sales in 37 countries and territories

Industry-wide sales

Approx. 50 million units ❯❯❯ Approx. 60 million units
Around 2030

- Offer attractive products tailored to the diverse needs of customers
- Rollout products efficiently and optimize product supply system

Motorcycle business – electrification

2025 2028

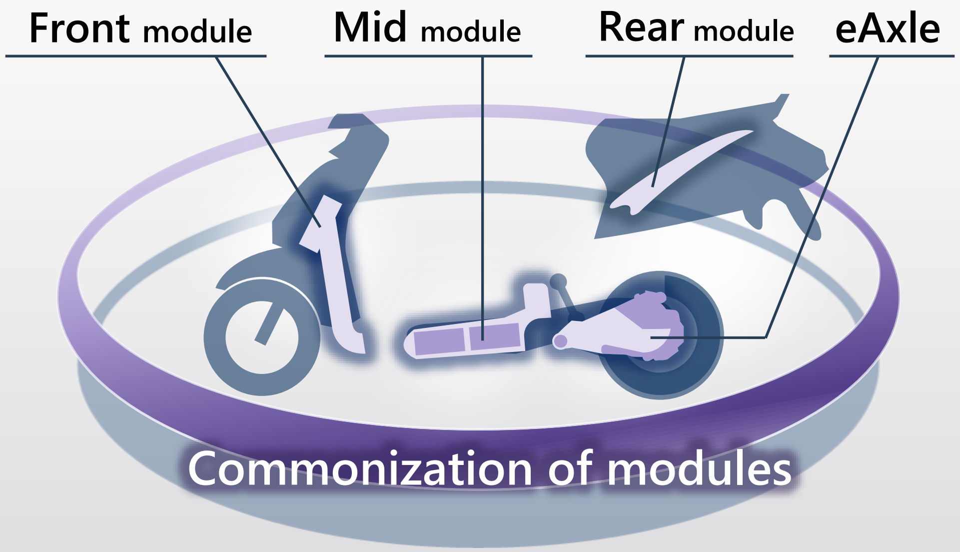
Activa e: QC1

Sales began in February 2025

CUV e: ICON e:

Scheduled to go on sale in Europe and Japan

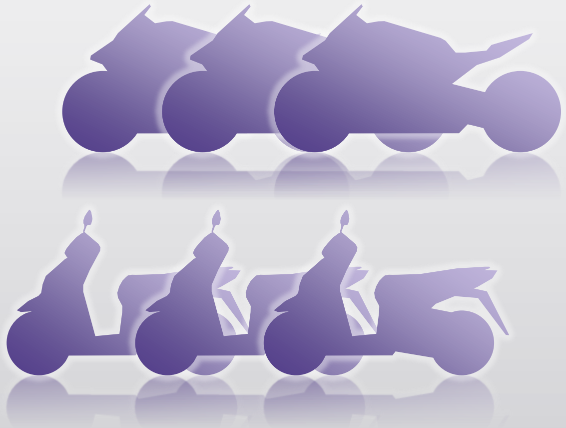
Dedicated electric motorcycle production plant will become operational in India



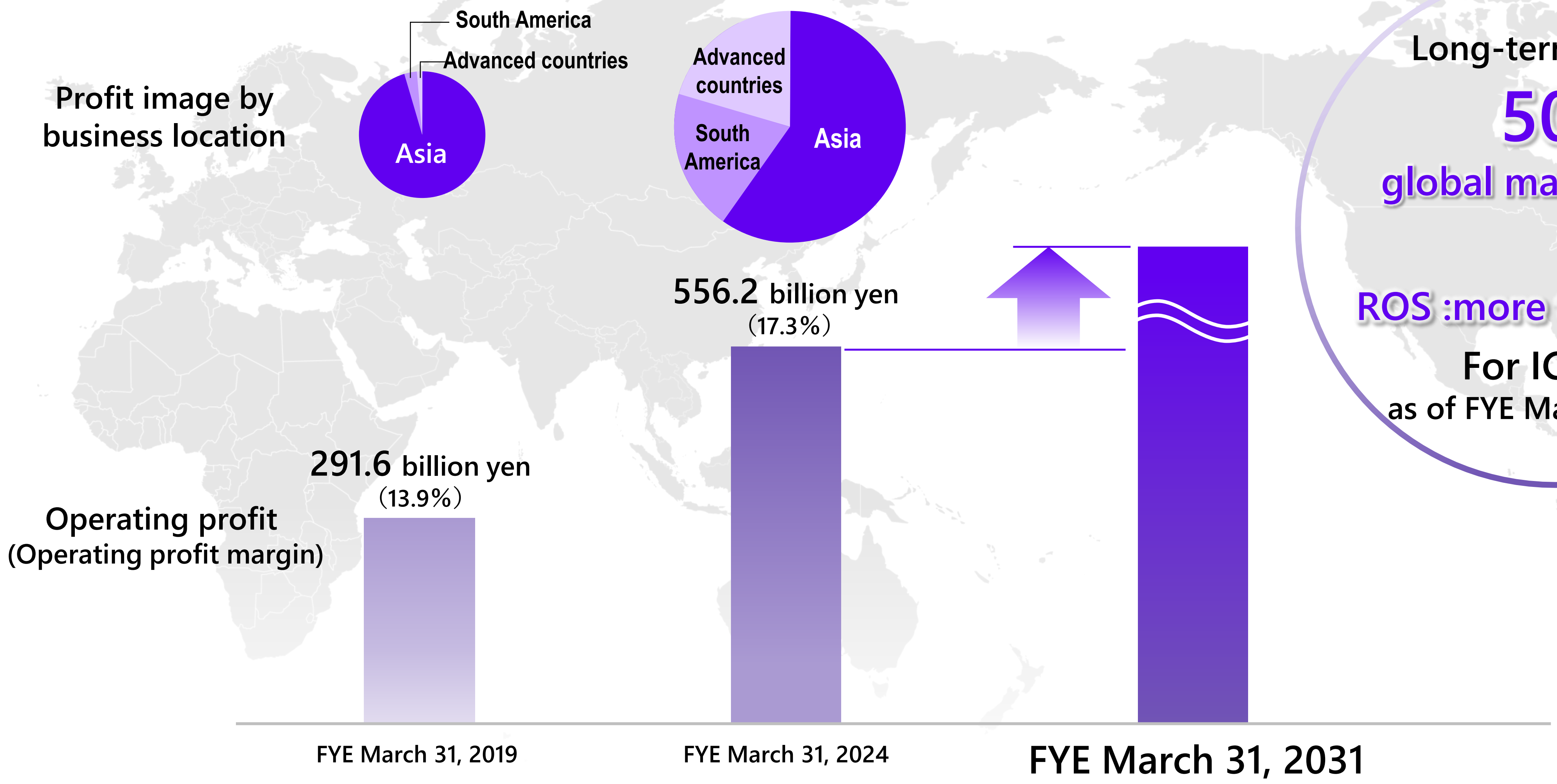
Cost reduction through the production at highly-efficient dedicated plant

Electric motorcycle market goal:

No.1 market share



Effectively capture growing demand for motorcycles with both ICE and EV models



Long-term target:

50% global market share

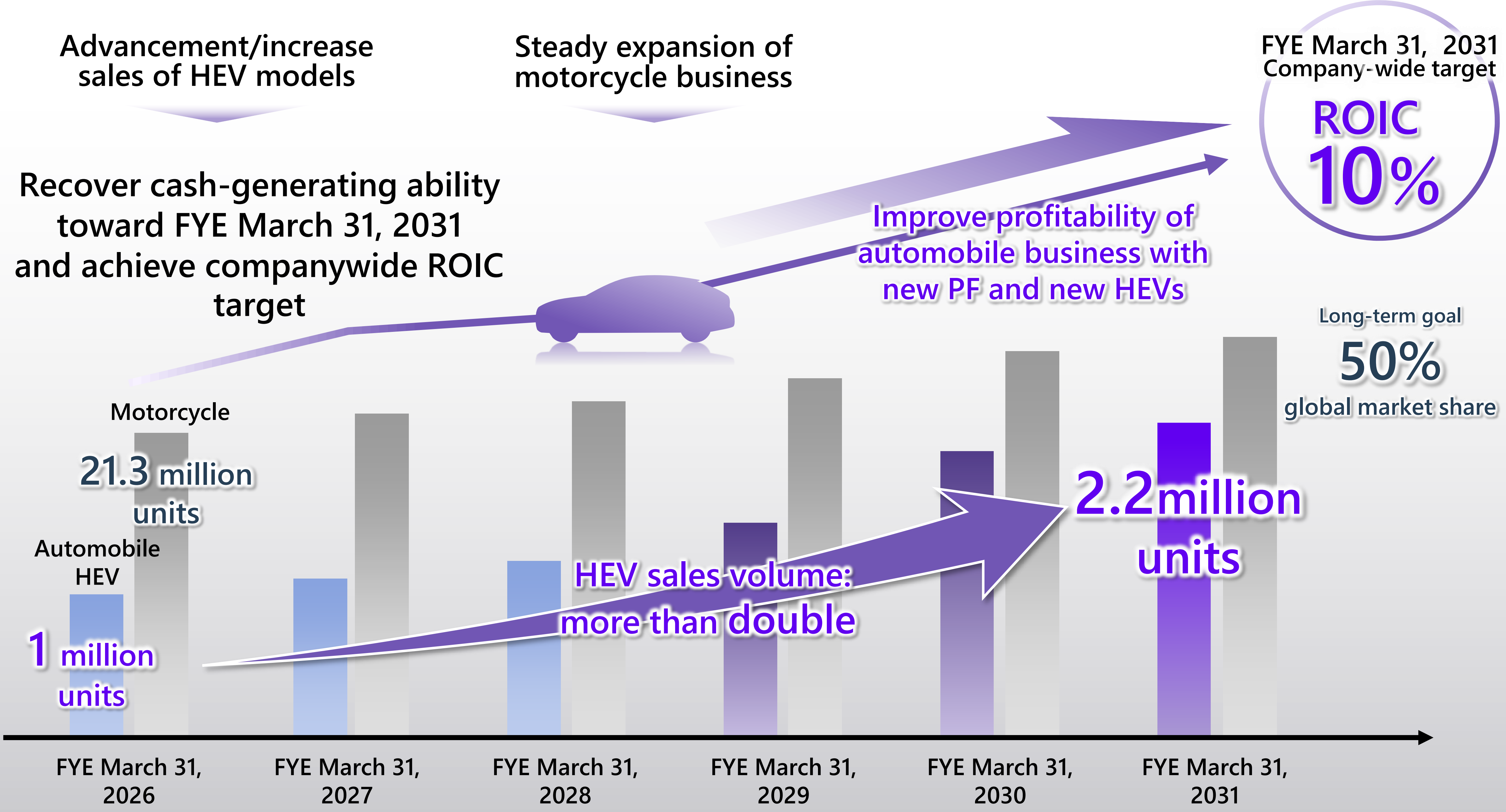
ROS :more than 15%

For ICE/EV

as of FYE March 31, 2031

Financial Strategy

Improvement of profitability



Change in investment of resources

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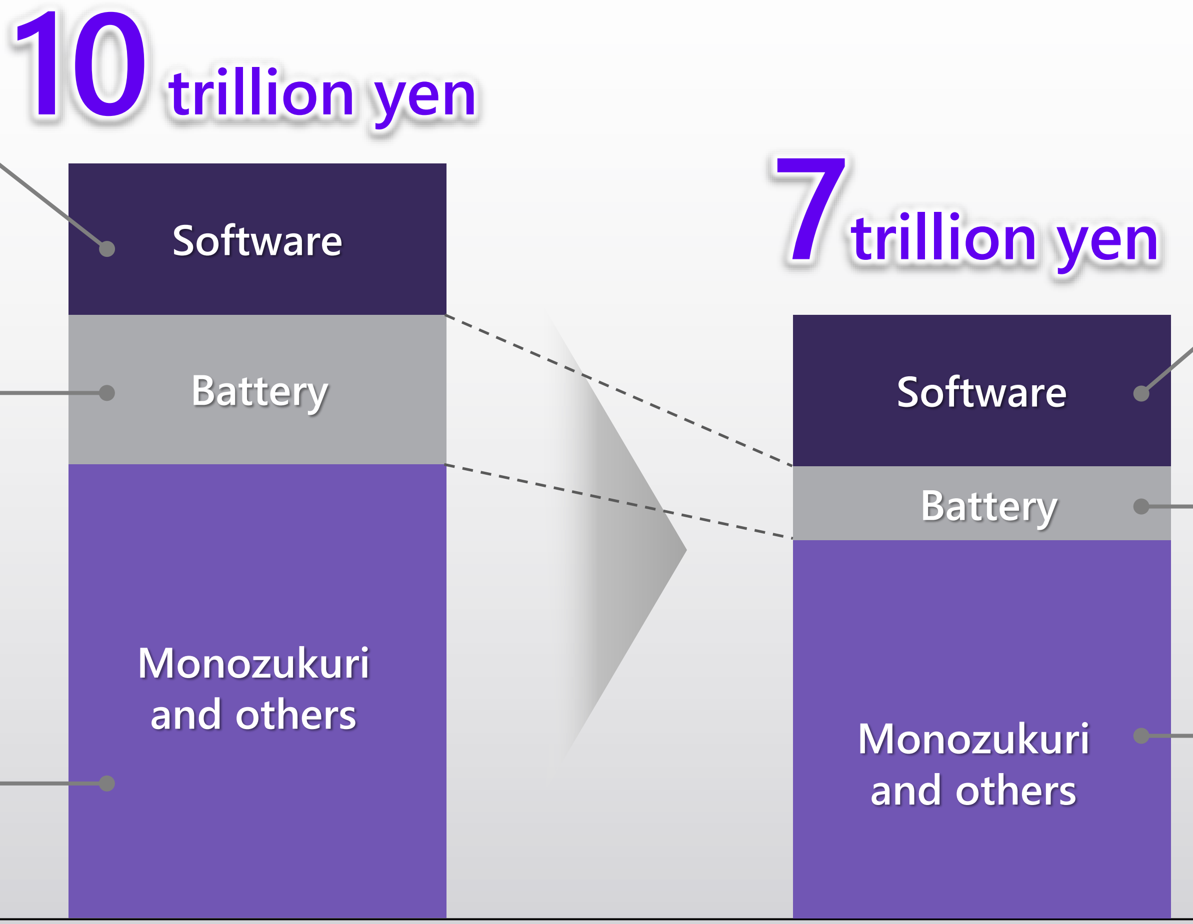
Previous plan (as of May 2024) | **Current plan (as of May 2025)**

R&D expenditure toward the realization of software-defined mobility
Approx. 2 trillion yen

Realization of vertically-integrated value chain
Approx. 2 trillion yen

- Production area that includes next-generation plants,
- Investments for electric motorcycles, new models, R&D, etc.

Approx. 6 trillion yen



With assumption to apply software on HEVs
Maintain
Approx. 2 trillion yen

Due to postponement of Canada VC project
- 1 trillion yen

Due to delay in investing in next-gen factories and optimization of lineup
- 2 trillion yen

Capital allocation (Honda companies conducting business, except financial services business)

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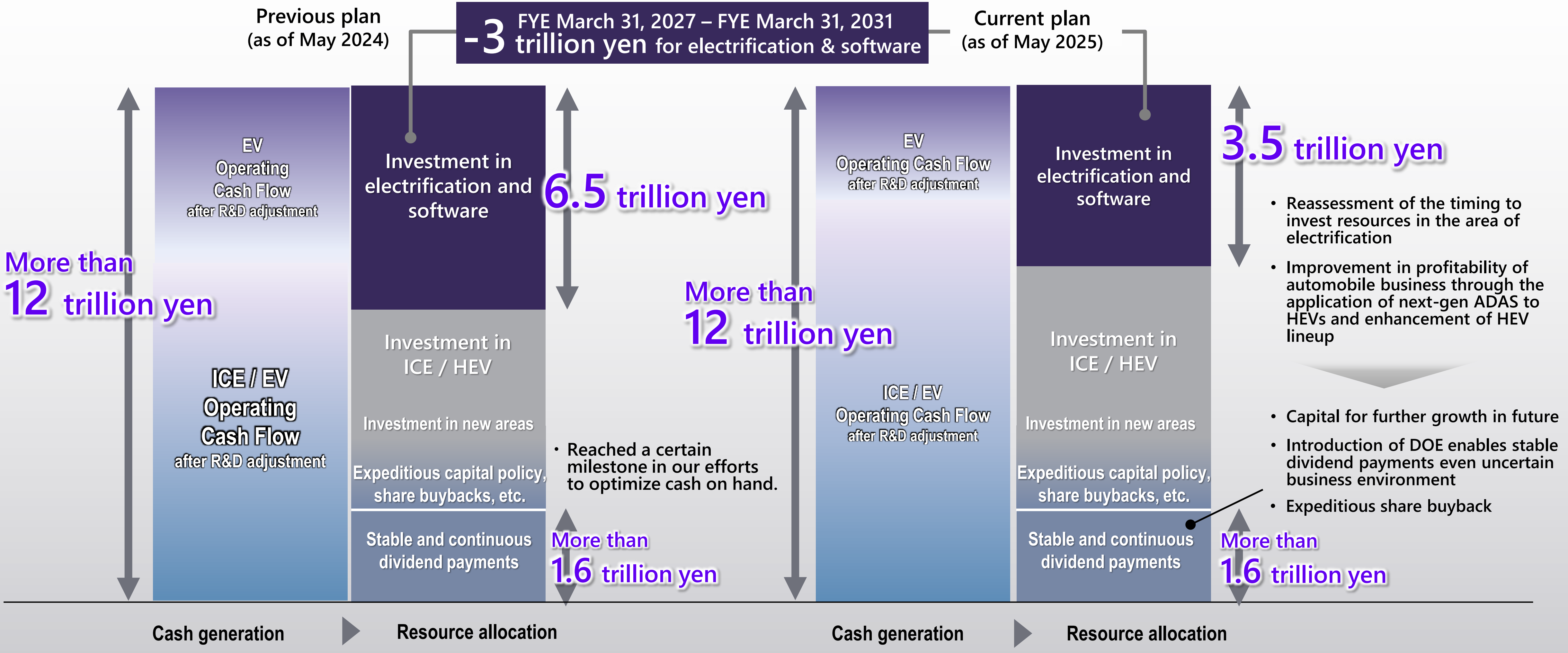
FYE March 31, 2027 – FYE March 31, 2031

By revising our resource allocation in accordance with market changes, we will establish automobile business that can prepare for the future while also improving profitability.
With the strong earnings power of our motorcycle business on top, we will pursue further growth and stable shareholder return.



*Operating cash flow after deduction of R&D expenses (Operating cash flow of Honda companies conducting businesses, except financial services business + R&D expenditures - Amount transferred to development assets)

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